



BRIEFING: MAY 2013 BOARD MEETING AGENDA ITEM #4

TO: Chairman Richard and Board Members

FROM: Frank Vacca, Chief Program Manager and Tom Fellenz, Chief Counsel

DATE: May 2, 2013

RE: Approval of Amendment to Hatch Mott McDonald JV Regional Consultant Contract/Direct Staff to Re-advertise: Palmdale-Los Angeles Section

Introduction

It is the Authority's intent to best serve the public interest by delivering all aspects of the California High-Speed Rail Program on schedule, at the lowest possible cost, and with quality that meets or exceeds acceptable industry and government standards. Based on the following analysis, staff has determined it is in the best interest of the State to amend this existing contract for time only and therefore requests Board approval of the staff recommendation. This contract, as with all of the Authority's Architectural & Engineering (A&E) contracts, contains the Board adopted 30 percent small business participation goal and a 30 day termination clause.

Background

The Authority's contract with Hatch Mott McDonald/ARUP/URS JV, one of the eight Regional Consultant Contractors (RC), is approaching the limits of its current duration and requires Board approval for an amendment. Hatch Mott McDonald is the prime RC for the Palmdale to Los Angeles project section. This section is 58 miles long running southwest to Sylmar and then south to Los Angeles Union Station. The current contract expires on June 30, 2013. The contract is task driven and the RC will only perform duties that it is directed to perform by the Authority.

The contract with the Hatch Mott McDonald/ARUP/URS JV was awarded on December 29, 2006. The procurement process was managed directly by Authority staff consistent with the state's competitive A&E procurement process. Proposals were evaluated by a team of Authority staff and staff from other state departments with contracting experience who evaluated the proposals and made recommendations to the Authority. This contract, as with all of the Authority's A&E contracts, contains a 30-day termination clause.

Staff recommends amending the contract duration with Hatch Mott McDonald JV on the Palmdale to Los Angeles section by extending it for up to fifteen months, through September 30, 2014 while staff develops a Request for Qualifications (RFQ) to for this project segment. This amendment would allow for completion of the following milestones: completion of

environmental technical reports, 15 percent preliminary engineering work and Check Point B concurrence. Extending the current contract will enable the Authority to retain the team's expertise and experience, maintain continuity and momentum for completing this work, and allow an effective transition. It is important to note that this extension is based on producing specific deliverables, work product, and project milestones. This extension does not require any additional financial resources beyond current contract levels.

About Hatch Mott McDonald/ARUP/URS JV

The Hatch Mott McDonald/ARUP/URS team is a California based Joint Venture, led by the firm of Hatch Mott McDonald and is comprised of the following companies and resources:

Hatch Mott MacDonald is a consulting engineering firm offering public and private clients multi-disciplinary expertise and comprehensive capabilities in planning, project development, studies and analysis, design, procurement, construction engineering and inspection, project, program and construction management, and facility maintenance and operations.

Key Facts

- Established: 1996
- Number of Employees: 23,000

Arup is a multinational professional services firm which provides engineering, design, planning, project management and consulting services for all aspects of the built environment around the world. Arup has participated in projects in over 160 countries.

Key Facts

- Established: 1941
- Number of Employees: 10,000
- FY12 Revenue: \$1 billion
- Arup is owned by trusts, the beneficiaries of which are Arup's past and present employees, who receive a share of the firm's operating profit each year.

URS Corporation is a provider of engineering, construction and technical services for public agencies and private sector companies around the world. URS offers a range of program management; planning, design and engineering; systems engineering and technical assistance; construction and construction management; operations and maintenance; information technology; and decommissioning and closure services. URS provides services for federal, oil and gas, infrastructure, power, and industrial projects and programs.

Key Facts

- Established: 1951
- Number of Employees: 54,000 in 50 countries
- FY12 Revenue: \$11 billion
- Publically traded on the NYSE (NYSE Symbol URS)

Discussion

The contract with Hatch Mott McDonald is as an Architectural and Engineering (A&E) services contract as defined in Government Code, Section 4525 and, therefore, extending this contract through the amendment process is within the Board's scope and does not require approval by the Department of General Services pursuant to Section 11.00 of the State Contracting Manual (SCM).

This recommendation considers the following opportunities and risks: loss of consistency/continuity, stakeholder relationships, competition, potential conflicts of interest, loss of institutional knowledge, and imminent disruption and delay. This qualitative risk-based assessment was performed in consultation with the Authority's Chief Deputy Director, Chief Program Manager, Chief Financial Officer, Regional Directors, Chief Counsel, and Risk Manager.

As the high-speed rail program advances and matures, professional consultant services procurement, structure, and organization will be continuously assessed and enhanced. Due to the dynamic nature of the project, there will likely be future opportunities to improve efficiency. Over the next year, the Authority will implement various strategic planning initiatives. The area of professional consulting services procurement will be one area of emphasis, with the goal of building on the Authority's long term consulting strategy.

The attached graph shows the status of expenditures for the RCs and the Program Management Team. The expenditures are currently trending below what was initially planned, as schedule and work adjustments have been made consistent with the 2012 Business Plan, SB 1029, Proposition 1A and federal funding guidelines.

The Authority awarded the contract to Hatch Mott McDonald JV for the Palmdale to Los Angeles project section. The original contract value was \$74.28 million to complete the EIR/EIS, 15 percent engineering and to conduct public outreach. As of February 2013, \$52.6 million has been expended on the Palmdale to Los Angeles project section. The funding for this contract is comprised of the American Recovery and Reinvestment Act (ARRA) and the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A) funds.

To date, Preliminary, Supplemental and Subsequent Alternative Analyses have been completed, along with associated outreach activities, and multiple alignment options have been analyzed.

This proposed amendment would extend the contract duration by up to 15 months for work on the Palmdale to Los Angeles project section as identified below. No additional funding is required.

This proposed amendment would do the following:

- Extend contract duration by up to 15 months, extending the termination date from July 1, 2013 to September 30, 2014;
- Complete environmental technical reports;
- Supplemental Alternatives Analysis (SAA) to further refine the project elements;

- Complete 15 percent preliminary engineering;
- Check Point B Concurrence; and
- Direct Authority staff to develop a new A&E RFQ for solicitation of a new Regional Consultant before this contract terminates to complete the following scope of work for the Palmdale to Los Angeles project section.
 - Administrative, Draft and Final EIR/EIS
 - Record of Decision
 - Complete preliminary engineering to support procurement

Next Steps for the RFQ

Pursuant to the Contract Award Procedures for A&E Contracts adopted by the Board in March 2007, the Authority staff will present a recommended scope of work based on need and a final draft RFQ for consideration and approval at a future Board meeting. Once the Board approves the RFQ, it will be advertised and A&E firms will submit statement of qualifications (SOQs) which will be evaluated by the Authority staff. The SOQs and oral discussions based on the qualifications submitted will be the basis for the ranking of the three top firms. The Chief Executive Officer (CEO) or designee will negotiate a contract beginning with the top ranked firm. The CEO will then submit his/her recommendation to the Board for approval or rejection of the recommendation. If approved by the Board, the CEO then enters into the contract with the selected firm.

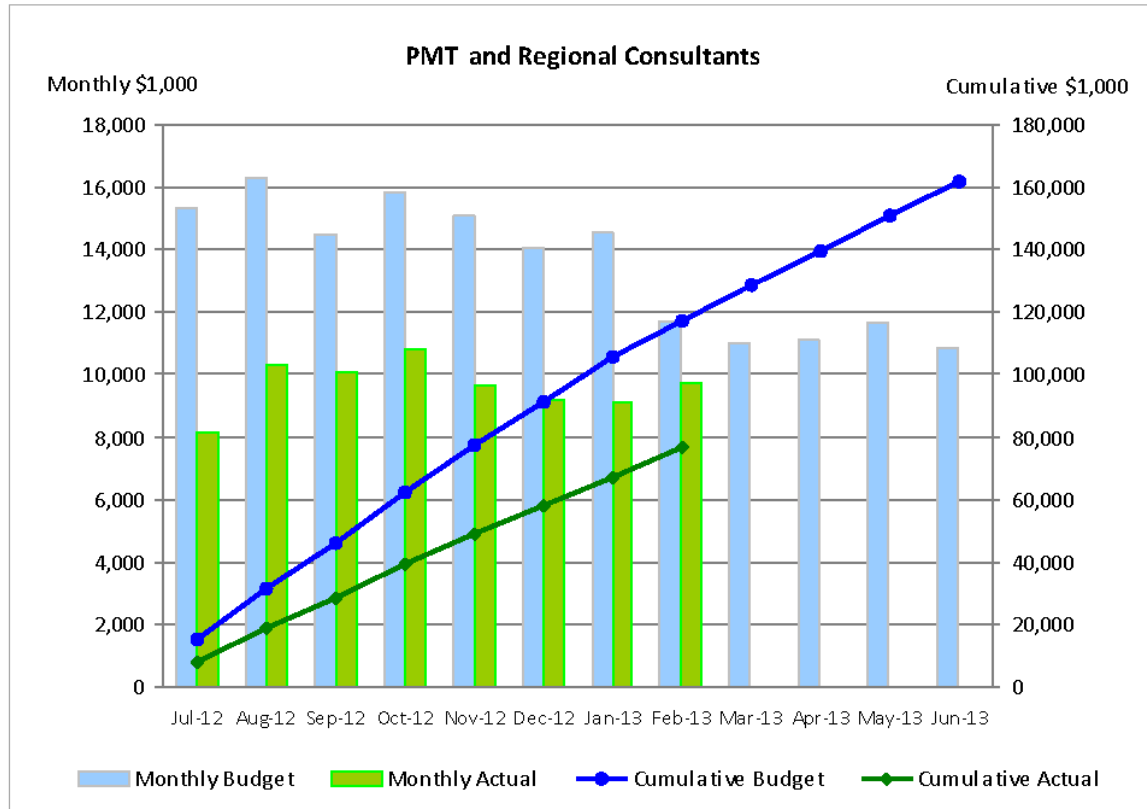
Recommendation

Staff recommends that the Board approve an amendment to extend the contract with Hatch Mott McDonald/ARUP/URS JV for up to 15 months through September 30, 2014 for the Palmdale to Los Angeles section.

PROJECT SECTION	FIRM	CURRENT TERM	AMENDED TERM	CURRENT BUDGET	EXPENDITURES AS OF FEB. 2013
Palmdale to Los Angeles	Hatch Mott McDonald JV	6/30/2013	9/30/2014	\$74,288,000	\$52,600,000

Attachment

- PMT and Regional Consultants expenditure graph
- Resolution # HSRA 13-10



CHSRA Program Components	February (\$1,000)		Fiscal Year Cumulative (\$1,000)				Total FY Budget
	Monthly Planned	Monthly Actual	Planned	Actual	Variance Over/Under	% (-Over/+Under)	
Program Management (PB)	\$4,662	\$4,365	\$39,302	\$29,918	\$9,383	24	\$58,992
San Francisco - San Jose (HNTB)	\$133	\$31	\$1,156	\$217	\$939	81	\$1,728
San Jose - Merced (Parsons)	\$1,288	\$1,131	\$7,545	\$6,823	\$722	10	\$12,957
Merced - Fresno (AECOM)	\$944	\$1,050	\$9,787	\$8,212	\$1,575	16	\$13,296
Fresno - Bakersfield (U-H-A)	\$1,612	\$1,753	\$23,726	\$12,643	\$11,083	47	\$28,347
Bakersfield - Palmdale (U-H-A)	\$916	\$559	\$13,963	\$8,704	\$5,259	38	\$16,296
Palmdale - Los Angeles (H-U-A)	\$908	\$519	\$9,771	\$6,339	\$3,432	35	\$12,017
Los Angeles - Anaheim (STV)	\$468	\$118	\$3,735	\$1,562	\$2,172	58	\$6,068
Los Angeles - San Diego (HNTB)	\$348	\$41	\$3,039	\$1,111	\$1,928	63	\$4,550
Sacramento - Merced (AECOM)	\$261	\$79	\$3,035	\$839	\$2,196	72	\$4,100
Altamont (AECOM)	\$158	\$81	\$2,379	\$631	\$1,748	73	\$3,686
TOTAL	\$11,697	\$9,727	\$117,437	\$76,999	\$40,438	34	\$162,036